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U. of Louisville Holds Fast to Plans for Big-Time Sports

By LIBBY SANDER

Louisville, Ky.

For five decades, the University of Louisville men's basketball team has played its home games at the state's fairgrounds, in a modest arena originally built for horse shows. And for just as many seasons, the team's toughest competition for scheduling has come from the livestock — and the flea markets and tractor pulls that also vie for the space.

The years of wrangling over dates will end next year, when the university — and its highly ranked basketball teams — becomes the primary tenant of a \$238-million arena being built here on the banks of the Ohio River.

The arena, now just a gaping pit on Main Street, marks the latest coup for an athletics program that for the past decade has made an aggressive attempt to raise its profile. The ambition is evident in almost everything Louisville does: its mushrooming budget, its many nationally ranked teams, even in the crimson and black paint slathered on the highway overpasses that wrap around this struggling South Louisville neighborhood.

Yet with high-profile college sports programs now sweating over how to reconcile their lavish spending habits with plummeting endowments, a slowdown in ticket sales and sponsorships, and an uncertain fund-raising climate, Louisville's ability to maintain this momentum seems improbable.

Officials here hope the very elements that have been the key to rapid growth will also be a lifeline during the recession. A supportive business community, a re-energized downtown and eager civic leaders, and a ticket-buying public whose only other major sports attraction — the Kentucky Derby — comes just once a year have all proved so far to be strong legs on which to build. Having a university president who is a former state budget director and champion of athletics hasn't hurt, either.

Louisville officials are proud of their multimillion-dollar sports facilities, but like good Midwesterners they are reluctant to brag too much.

"We're a blue-collar school," says Tom Jurich, Louisville's high-energy athletic director, who arrived in 1997 and has overseen the program's expansion. He says longtime big-budget programs like the University of Kentucky, just down the road in Lexington, are "in a different megasphere than we are given what their budget is. But that doesn't mean we're going to stop competing."

Under his watch, Louisville's athletics budget has increased by 60 percent in the last five years, to just under \$51-million (UK's budget is \$67-million, and some top programs' are over \$100-million). Though it has built new facilities for almost every sport in the past decade, Louisville took on major debt only for a \$72-million expansion of its football stadium, now under way.

"On the outside it looks like we've been very aggressive and very ambitious," Mr. Jurich says. "Just because we're aggressive in building buildings, honestly, we're very conservative in the way we're going to pay for them."

That approach may help Louisville avoid the painful cuts other well-heeled programs are making. But only time will tell if the university's ambition holds up under the pressure of a sustained economic downturn, says John R. Thelin, a professor at the University of Kentucky who specializes in the history of higher education.

"The trend has been that as more and more of the big-time programs go in the red, they get subsidies, drop sports, whatever," he says. "But if I were to name an exception — a possible exception — it would be Louisville."

Defining the Borders

One of the most visible parts of the university, with some of the newest construction in this part of town, is a string of athletics facilities that line the campus's outer edges. As the elevated lanes of Interstate 65 cut the eastern border of the campus, motorists speeding toward Indianapolis or Nashville catch a glimpse of Louisville's sports growth.

"The one thing we've been able to do with all the athletics facilities is we've been able to beautify the campus," says Mr. Jurich, who in 2005 was named Louisvillian of the Year by the Advertising Federation of Louisville.

Dewey M. Clayton, a professor of political science at the university, says he was initially "very skeptical" of athletics when the growth spurt began. "I wondered if we were moving too fast in the direction of athletics and leaving academics behind," he says.

But now he is a believer. The athletics department, he says, "coordinates very well with the university," keeping its finances largely separate while placing a strong emphasis on academics. The athletes he has taught are often the best students in the class, he says.

The university president, James R. Ramsey, gushes about the role of sports in raising the university's profile among local residents, civic leaders, and lawmakers in Frankfort, the state capital. He sees athletics as key in elevating the university's status to that of a premier urban research institution.

The building spree has not been a distraction from academic needs, he says, noting that the university recently completed a \$14-million expansion of the main library, and that four research buildings have gone up in the past decade.

But the university still needs new classroom space, and the rest of the campus looks far older and more worn than the new athletics facilities. Still, Mr. Ramsey, who made Mr. Jurich vice president for athletics in 2003, insists that any tension that might linger between athletics and academics is no different than any other institutional turf battle.

"There's always tension. There's tension between the undergraduate focus and the graduate focus. There's tension between teaching and research," he says. "We've tried to explain to people that athletics is part of the family. It's a visible part of the family that, if we do it right, can help the academic side."

Building a Future

Though Louisville basketball has a storied tradition — the men's team has won two national titles and went to the Final Four as recently as 2005 — the rest of the athletics program is fairly new, and has grown rapidly since the university joined the Big East Conference, in 2005. Mr. Jurich, who is stocky, speaks quickly, and sports a bit of a tan even in late winter, proudly shows off the facilities from behind the wheel of his black Lexus.

Since he arrived, Louisville has spent nearly \$75-million on new facilities. Cardinal Park — which includes facilities for softball, field hockey, track and field, and soccer — opened in 2000. The next eight years were a flurry of ribbon cutting, with new digs for swimming, lacrosse, and golf, and a 90,000-square-foot indoor football practice field. The baseball team, which in 2007 made its first College World Series appearance, also got a new \$20-million home.

An expansion of the field-hockey stadium was the most recent project, opening last fall along with a strength-and-conditioning center. (See article on next page.) Next up: a new boathouse along the Ohio River, for which Mr. Jurich is in the final stages of fund raising.

Surprisingly, the last sport to have a makeover is football. The team's 42,000-seat stadium, which opened in 1998, is getting a \$72-million face-lift, adding 21,000 seats and doubling the number of luxury suites. Never much of a football power, Louisville has made strides in recent years, earning a top 10 ranking and winning the Orange Bowl in the 2006 season. But the team has struggled the past two seasons.

For each of the facilities, Mr. Jurich says he waited until he had secured solid pledges from corporate and individual donors before breaking ground. The facilities bear the names of many of these donors — among them Papa John's Cardinal Stadium (football), Trager Stadium (field hockey), and even the Jewish Hospital Cardio Path, a red path that snakes around the perimeter of Cardinal Park and is popular with walkers and joggers.

Mr. Jurich is hoping that financial prudence will enable Louisville to sidestep any fallout from the economy during its expansion of the football stadium. The project is being paid for in part by a handful of local and national corporate sponsors, including Papa John's International, a hometown company and longtime university donor. But the people who will foot much of the bill are the fans and corporations that Mr. Jurich is counting on to buy premium seats.

By spreading out the cost among several thousand people, Louisville hopes to avoid the unpredictability of corporate sponsors, says Kevin Miller, senior associate athletic director. During the construction of the football stadium, in the 1990s, a major corporate sponsor declared bankruptcy and owed about \$800,000, leaving the athletics department to cover the loss out of its operating budget.

They have learned since then. "We didn't base this on a \$50-million gift from one company," Mr. Miller says. "We spread our risk among 1,600 people buying loge tickets." All of those seats have been spoken for, with fans paying a deposit of \$2,500 — or, in many cases, the full amount, which averages \$10,000.

The bigger challenge is finding takers for the 33 new luxury suites, priced at \$50,000 annually. So far, two-thirds of the new suites have been sold.

'Toast of the Town'

If Louisville officials are confident that they can sell premium football seats in a sluggish economy, they are even more sure that their basketball-crazy fans will step up. Mr. Jurich, for one, says he has "zero worries" about selling out the new arena's premium seats and suites.

His optimism appears to be well founded — so far, anyway. Though Louisville's unemployment is just below the national average, and the city continues to lose jobs in almost all major sectors, residents here have proved to be extraordinarily supportive of their homegrown sports teams, selling out home basketball games.

None of the city's efforts to lure professional teams have panned out, much to the benefit of the university, Mr. Thelin says.

"U of L filled the void," he says. "They remain the toast of the town."

Freedom Hall, which Louisville's popular basketball teams have long made their home, is well loved. There is not a bad seat in the house, and at halftime fans jam the narrow corridors, trailing the scent of caramel corn and hot dogs.

Built in 1956 and renovated in the early 1980s, the arena is showing its age. After a recent sold-out game against a Big East opponent, Louisville's head men's basketball coach, Rick Pitino, held his postgame news conference in a tiny room that doubles as a catering-prep room on nonbasketball days.

As reporters squeezed in, a man nudged three children through the crowd so they could glimpse Mr. Pitino, a former head coach at the University of Kentucky and a cause célèbre ever since Mr. Jurich lured him here, eight years ago. But with its missing ceiling tiles, the cramped room hardly seemed fitting, at least by Big East standards, for a top-10 team and a famous coach paid more than \$2.2-million a year.

Mr. Jurich and Mr. Ramsey lobbied hard for the downtown arena to be built on Louisville's campus. But the riverfront site promises to bring a financial boost to the program through the more-expensive luxury seats, without burdening the university with many of the liabilities of constructing its own arena.

It also holds significant curb appeal: The giant cantilevered Clark Memorial Bridge stretches over the Ohio River just above the site, carrying thousands of cars a day. Come 2010, those cars will speed right past the new structure. And as the primary tenant, the university's name will be prominently displayed.

For all their confidence, Louisville officials are not untouched by the economic downturn. Mr. Jurich has instituted a hiring freeze and put a cap on expenditures. The belt can be tightened further, and Mr. Jurich says if circumstances call for that, he will. For now, at least, he hasn't had to act beyond the usual diligence, and so far the citizens of Louisville haven't required him to.

"You can't say never," Mr. Jurich says. "But ... this town is one that I would bet on heavily to weather the storm."

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